

STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

Business Meeting Minutes

of

December 15, 2004

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The meeting was called to order by Chairman Keese at 10:10 a.m.

The Pledge of Allegiance was led by Commissioner Boyd.

William J. Keese	Present
Arthur Rosenfeld	Present (Arrived during Item 5)
James D. Boyd	Present
John L. Geesman	Present
Jackalyne Pfannenstiel	Present

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A Commissioner may request that an item be discussed and moved to later on the agenda).
 - a. COMMISSION CO-SPONSORSHIPS. Possible approval of a co-sponsorship request for which the Energy Commission may provide money, staff time, travel expenses and the use of its name for the following event.
 - 5th Annual Clean Heavy-Duty Vehicle Conference, \$4,950, February 22-24, 2005, La Quinta, California. (ERPA funded)
 - b. NEW BUILDINGS INSTITUTE, INC. Possible approval of Contract 400-04-006 for \$10,000 to pay for membership renewal with the New Buildings Institute. (ERPA funded)
 - c. HUDSON TECHNOLOGIES. Possible approval of Contract 400-04-007 for \$14,000 to deliver up to three training workshops using U. S. Department of Energy Best Practices Steam Systems. This contract also provides technical services for the development and production of a Web-based streaming video. (Oregon Dept of Energy funded)

Commissioner Geesman moved and Commissioner Boyd seconded approval of the Consent Calendar. The vote was unanimous. (4-0)

2. SAN JOAQUIN VALLEY ENERGY CENTER (01-AFC-22C) Possible approval of a petition to modify the Emission Reduction Credit Offset Package and other changes that affect air quality conditions of certification. (Docket No. 01-AFC-22C).

Commissioner Geesman moved and Commissioner Boyd seconded approval of the San Joaquin Valley Energy Center petition. The vote was unanimous. (4-0)

3. PASTORIA ENERGY FACILITY. Possible approval of a petition to modify the Emission Reduction Credit Offsets Package and other changes that affect air quality conditions of certification. (Docket No. 99-AFC-7C)

Commissioner Geesman moved and Commissioner Boyd seconded approval of the Pastoria Energy Facility petition on changes that affect air quality conditions of certification. The vote was unanimous. (4-0)

4. PASTORIA ENERGY FACILITY. Possible approval of a petition for a temporary increase in air emissions during commissioning. (Docket No. 99-AFC-7C)

Commissioner Geesman moved and Commissioner Boyd seconded approval of the Pastoria Energy Facility petition for a temporary air emissions increase during commissioning. The vote was unanimous. (4-0)

5. RIVERSIDE ENERGY RESOURCE CENTER SPPE COMMITTEE. Commission consideration and possible adoption of the Committee Proposed Decision approving a Small Power Plant Exemption (SPPE) for the Riverside Energy Resource Center (RERCP).

Commissioner Geesman moved and Commissioner Pfannenstiel seconded approval of the Committee's proposed Decision as modified by (1) the Committee Errata and (2) removal of the discussion on the proper location (fenceline or receptor) for assessing air quality impacts because, in light of the Applicant's agreement to limit access, there is no need to decide that issue. The vote was unanimous. (4-0)

Commissioner Rosenfeld joined the meeting during this item. He did not vote.

6. REPORT TO THE LEGISLATURE ON RESIDENTIAL CLOTHES WASHER STANDARDS. Consideration and possible approval of the report to the Legislature outlining the Commission's progress in meeting the provisions of Assembly Bill 1561 (Kelley, Statutes of 2002) requiring the Commission to adopt water efficiency standards for residential clothes washers and to take the necessary steps to petition for a waiver from federal preemption.

This item was withdrawn from the agenda.

7. CALIFORNIA ENVIRONMENTAL QUALITY ACT DOCUMENTATION FOR APPLIANCE EFFICIENCY REGULATIONS. Possible adoption of an Initial Study and Negative Declaration pursuant to the California Environmental Quality Act (Public Resources Code Sections 21000 et seq.) regarding possible environmental impacts relating to amendments to the current Appliance Efficiency Regulations (California Code of Regulations, Title 20, Sections 1601-1608). (See item 8)

Commissioner Pfannenstiel moved and Commissioner Geesman seconded approval of the Initial Study and Negative Declaration for the Appliance Efficiency Regulations. The vote was unanimous. (5-0)

8. APPLIANCE EFFICIENCY RULEMAKING (Docket No. 04-AAER-01). Consideration and possible adoption of the Amendments to Appliance Efficiency Regulations published as Express Terms of Proposed Regulations (15-Day Language) dated November 30, 2004. The Efficiency Committee recommends adoption of Alternative 2.

Commissioner Pfannenstiel moved and Commissioner Rosenfeld seconded adoption of the 15-Day Language, including Alternative 2 but excluding standards for beverage cabinets without doors. The vote was unanimous. (5-0)

9. EXPANDED WIND DEMONSTRATION. Possible approval of grants for three wind projects to be funded a total of \$5,000,000 during the 2004/2005 fiscal year. Each project will demonstrate a low-speed wind turbine technology coupled with an intermittency management capability that relies on commercially available generation/storage technologies. (PIER funded)
- a. Clipper Windpower, Inc., \$1,750,000
 - b. GE Global Research and Development, \$1,738,084
 - c. Windtower Composites LLC, \$1,511,916

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of the three wind project grants. The vote was unanimous. (5-0)

10. U. S. DEPARTMENT OF ENERGY (USDOE) AND BOB LAWRENCE AND ASSOCIATES. Possible approval to accept a \$99,991 grant from U. S. DOE for a cost benefits analysis on Energy Commission geothermal projects. This approval will also award Bob Lawrence and Associates \$84,909 to perform a portion of these services. (US DOE funded)

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval to accept the grant money from the USDOE and issue a grant to Bob Lawrence and Associates. The vote was unanimous. (5-0)

11. REGENTS OF THE UNIVERSITY OF CALIFORNIA. Possible approval of a grant for \$2,298,427 to the University of California Energy Institute (UCEI) to operate an existing research program known as Center for the Study of Energy Markets (CSEM). UCEI will operate CSEM to conduct economic research, prepare and publish research and policy papers, sponsor research and policy conferences and undertake other specified outreach activities to disseminate the research results to the energy community. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of a grant to UCEI. The vote was unanimous. (5-0)

12. CALIFORNIA INDEPENDENT SYSTEM OPERATOR SUBPOENA. Consideration and possible adoption of a subpoena directing the California Independent System Operator to provide data relevant to issues associated with resource adequacy for the summer of 2005.

Commissioner Geesman moved and Commissioner Boyd seconded approval of a subpoena to the California Independent System Operator. The vote was unanimous. (5-0)

13. INTEGRATED ENERGY POLICY REPORT 2005 - STATUS REPORT ON DATA COLLECTION. Report from staff on the status of data filings for electricity retail price forecasts, and discussion of enforcement options, if necessary.

This item was moved to the January 19, 2005 Business Meeting.

14. U. S. DEPARTMENT OF ENERGY, NATIONAL RENEWABLE ENERGY LABORATORY (NREL). Possible approval of Contract 500-03-011 Amendment 1, to redirect \$405,000 from a discontinued task to perform a new work. NREL will be conduct modeling and additional testing on an interconnect device for complying with national interconnection standards. They will also assist PIER in developing a new research initiative on power electronic interfaces. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-03-011 Amendment 1. The vote was unanimous. (5-0)

15. OFFICE OF EMERGENCY SERVICES. Possible approval of Contract 600-04-016 for \$50,000 to conduct an energy emergency contingency planning exercise involving the Energy Commission, Air Resources Board, State Fire Marshall, Office of Emergency Services, the Resources Agency and other agencies and departments involved in responding to energy emergencies in California. (ERPA funded)

Commissioner Boyd moved and Commissioner Pfannenstiel seconded approval of Contract 600-04-016. The vote was unanimous. (5-0)

16. GRANITE FINANCIAL SOLUTIONS, INC. Possible approval of Contract 500-04-013 for \$74,700 to provide temporary support services to assist the Emerging Renewables Program during peak workload times. This workload is a result of increased rebate applications filed in anticipation of the decline of the rebate level. (\$50,000-ERPA and \$24,700-RRTF funded)

Commissioner Geesman moved and Commissioner Pfannenstiel seconded approval of Contract 500-04-013. The vote was unanimous. (5-0)

17. COMPETITIVE ENERGY INSIGHT INC. Possible approval of Contract 500-04-015 for \$128,621 to perform economic analysis of distributed generation/combined heat and power applications. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-04-015. The vote was unanimous. (5-0)

18. SMITHERS SCIENTIFIC SERVICES, INC. Possible approval of Contract 600-04-017 for \$400,000 to conduct a study of low rolling resistance tires to examine any relationships to other tire characteristics such as longevity, safety and ease of tire recycling; and establish a database of these characteristics. (Reimburseable Interagency Agreement with Integrated Waste Management Board)

Commissioner Boyd moved and Commissioner Pfannenstiel seconded approval of Contract 600-04-017. The vote was unanimous. (5-0)

19. LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Contract 500-04-014 for \$475,000 to conduct surveys, both on-site and by phone, of California homes to characterize energy use and base load demand of low-power electronic equipment. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-04-014. The vote was unanimous. (5-0)

20. LOWER-EMISSION SCHOOL BUS PROGRAM PHASE 4. Possible approval of Contracts with 11 school districts for a total of \$1,120,000, to purchase new, safer and lower emission buses. School districts will be required to destroy one pre-1987 school bus for every new bus received. (AB 425 funded)
- a. Contract 600-04-005, El Centro Elementary School District, \$115,663
 - b. Contract 600-04-006, Sonora Union School District, \$106,543
 - c. Contract 600-04-007, Simi Valley Unified School District, \$135,017
 - d. Contract 600-04-008, Chowchilla Unified School District, \$92,023
 - e. Contract 600-04-009, Monterey Peninsula Unified School District, \$135,707
 - f. Contract 600-04-010, Selma Unified School District, \$106,543
 - g. Contract 600-04-011, El Tejon Unified School District, \$135,707
 - h. Contract 600-04-012, South Fork Unified School District, \$106,156
 - i. Contract 600-04-013, Imperial Unified School District, \$120,707
 - j. Contract 600-04-014, Marysville Unified School District, \$106,543
 - k. Contract 600-04-015, Merced Unified School District, \$113,208

Commissioner Boyd moved and Commissioner Pfannenstiel seconded approval of the above Contracts a-k. The vote was unanimous. (5-0)

21. CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC). Possible approval of Contract R500-04-012 with the CPUC to award the Energy Commission \$200,000 to hire staff for the Public Interest Natural Gas Research Program. (CPUC and Gas Consumption Surcharge Fund-funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract R500-04-012. The vote was unanimous. (5-0)

22. CALIFORNIA WIND ENERGY COLLABORATIVE (CWEC). Possible approval of Work Authorization WA #MR-017 (Contract 500-02-004) amendment with the University of California, Davis to add \$2.3 million to the Contract and extend the work authorization term to June 30, 2006. During this extended period, the Collaborative will continue to plan and administer CWEC activities (\$462,000) and will increase its scope of work with additional and expanded tasks related to the Commission's Integrated Energy Policy Report activities. (PIER funded)

This item has been moved to the January 19, 2005 Business Meeting.

23. Minutes

Commissioner Geesman moved and Commissioner Pfannenstiel seconded approval of the Minutes from the December 1, 2004 business meeting. The vote was unanimous. (5-0)

24. Commission Committee and Oversight

Chairman Keese recommended that Commissioners review the National Energy Commission Report by Congress.

25. Chief Counsel's Report

Chief Counsel Bill Chamberlain informed the Commissioners that a closed session on a litigation matter was needed. He also gave a brief overview of the most recent WECC Board Meeting, which he attended on behalf of the Commission.

26. Executive Director's Report

Executive Director Bob Therkelsen told the Commissioners that he is closely following the Energy Action Plan and monitoring the power plants that were planning to come on-line by next year, which currently total 18.

27. Legislative Director's Report

No report was given.

28. Public Adviser's Report

29. Public Comment

Mr. Issa Ajlouny requested information on Metcalf Energy Project.

The meeting was adjourned at 12:10 p.m.

BETTY A. McCANN
Secretariat to the Commission